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World Production and Trade

United States
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Washington, D.C. 20250

Weekly
Roundup

WR 34-84

Aug. 22, 1984

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

According to data from the U.S. Export Sales Report, the SOVIET UNION's purchases of 6.1 million tons of U.S. corn for delivery during the second year (Oct. 1, 1984-Sept. 30, 1985) of the new long-term grain agreement (LTA) are already 50 percent above the minimum required purchases. Under the new LTA, the minimum annual quantities of wheat and corn purchases by the Soviets shall be no less than 4 million tons each. Corn purchases for the first year of the new LTA currently stand at 6.6 million tons.

CHINA's 1984/85 early season rice crop is estimated at 52.1 million tons (paddy-basis), up about 1 million tons from last season. The early season rice crop generally constitutes approximately one-third of total rice output. Despite some weather-related problems, yield for the early season crop is estimated to be improved from last year's rain-reduced harvest. The total 1984/85 Chinese rice crop is forecast at a record 170 million tons, up slightly from last season's 168.9-million-ton harvest.

The EUROPEAN COMMUNITY (EC) is likely to have a domestic barley disposal problem in 1984/85, and is therefore emphasizing exports to alleviate domestic supply and price pressures. As of mid-August, export authorizations total 1.4 million tons, four times the level issued in each of the past several years on the same date.

At that rate, barley shipments will be sharply higher than the 2.6 million tons estimated to have been shipped in 1983/84. Although a large barley harvest is expected in 1984, increasing quantities of low-priced surplus domestic wheat are being used in feed rations, displacing barley and preventing any major rise in domestic barley utilization. Last year, the Community had a short barley crop so additional wheat feeding did not create a disposal problem.

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EUROPEAN COMMUNITY imports of corn gluten feed are likely to decline 20 percent in 1984 due to favorable prices for soybean meal and lower EC milk production, especially in the Netherlands and West Germany. A decline of this magnitude would place imports near the levels of 1981 and 1982. Imports were up in 1983 because of much higher-than-normal demand for mixed feed for increased numbers of cattle and because the price of soybean meal was strong vis-a-vis corn gluten feed. EC demand for corn gluten feed is now soft despite very weak prices, but is not likely to increase substantially unless prices decline.

Total EC Imports of Corn Gluten Feed/
And Imports from the United States
(In 1,000 tons)

	1979	1980	1981	1982	1983	1984 1/
Total EC imports	2,021	2,596	2,837	2,842	3,571	2,850
Imports from the U.S.	1,916	2,476	2,710	2,716	3,373	2,700

1/ Estimate.

The EUROPEAN COMMUNITY is expected to harvest a record total wheat and coarse grain crop of 133.5 million tons in 1984/85, 9 percent larger than last year's drought-affected harvest and a 2-percent increase from the previous record crop harvested in 1982/83. Wheat production in 1984/85 is estimated at a record 65.5 million tons, 2 percent above the previous record harvest in 1982/83, while total coarse grain production in 1984/85 is forecast at 68.0 million tons, an increase of 6 percent from last year's crop, but 5 percent less than the record crop harvested in 1982/83. Favorable weather during much of the season produced record wheat yields estimated at 4.83 tons per hectare (5 percent above the previous record yield of 4.60 harvested in 1982/83) and near-record coarse grain yields of 4.73 tons per hectare, down only slightly from the record yields harvested in 1982/83.

Record wheat harvests are expected in France, the United Kingdom, Belgium/Luxembourg, Denmark and Ireland, while near-record crops are expected elsewhere. Durum production in the EC for 1984/85 is estimated at a record 5.4 million tons, 41 percent above last year, and a 15-percent increase from the previous record crop harvested in 1980/81. Wheat area in 1984/85 is estimated at a record 13.6 million hectares, 3 percent above last year, while coarse grain area is estimated at 14.4 million hectares the same as last year, but down 5 percent from 1982/83.

European Community Grain Production, 1982/83-1984/85 1/

	1982/83		1983/84 4/		1984/85 5/	
	Area 2/	Prod. 3/	Area	Prod.	Area	Prod.
FRANCE						
Wheat	4.8	25.4	4.8	24.8	5.1	27.5
Coarse grains	4.9	23.3	4.5	21.6	4.6	22.7
Total	9.7	48.7	9.4	46.5	9.7	50.1

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European Community Grain Production, 1982/83-1984/85 1/

	1982/83		1983/84 4/		1984/85 5/	
	Area 2/	Prod. 3/	Area	Prod.	Area	Prod.
GERMANY FEDERAL REP.						
Wheat	1.6	8.6	1.7	9.0	1.6	8.9
Coarse grains	3.5	16.0	3.4	14.0	3.3	14.7
Total	5.1	24.6	5.0	23.0	5.0	23.6
ITALY						
Wheat	3.3	8.9	3.3	8.5	3.3	9.5
Coarse grains	1.6	8.4	1.6	8.3	1.6	8.5
Total	4.9	17.3	4.9	16.8	4.9	18.0
UNITED KINGDOM						
Wheat	1.7	10.3	1.7	10.8	1.9	12.2
Coarse grains	2.4	11.6	2.3	10.5	2.3	10.7
Total	4.0	21.9	4.0	21.4	4.2	22.9
OTHER 6/						
Wheat	1.6	6.6	1.7	5.8	1.7	7.4
Coarse grains	2.7	12.3	2.6	9.7	2.6	11.4
Total	4.3	18.9	4.3	15.5	4.3	18.8
EC-10						
Wheat	13.0	59.8	13.2	58.9	13.6	65.5
Coarse grains	15.1	71.6	14.4	64.1	14.4	68.0
Total	28.1	131.4	27.6	123.0	28.0	133.5

1/ Official USDA estimates as of Aug. 10, 1984. Does not include rice.

2/ Area harvested in millions of hectares. Totals based on unrounded data.

3/ Production in millions of metric tons. Totals based on unrounded data.

4/ Preliminary. 5/ Forecast. 6/ Includes Belgium/Luxembourg, Denmark, Ireland, Netherlands and Greece.

DAIRY, LIVESTOCK AND POULTRY

Pork production in POLAND is expected to expand by 8.6 percent to 1.35 million tons in 1985 as the result of higher support prices annouced in mid-1984, according to the U.S. agricultural attache in Warsaw. Live hog prices are currently more than 10 percent above year-ago levels, while free-market grain prices are near or below year-ago levels. This more favorable price ratio is expected to encourage farmers to increase their herds during the second half of 1984. Hog numbers are expected to be 16.6 million head in 1985, 4.8 percent above the 1984 inventory.

FRUITS AND NUTS

In FRANCE, apple production for the 1984/85 season is currently forecast to exceed the 1983/84 harvest by 20 percent. Favorable weather conditions throughout the growing season were a contributing factor, as well as the usual recovery in production following a poor crop.

A sizable increase is also expected in pear output--the result of bumper crops of both summer Bartlett pears and winter pears.

Production of apples and pears is estimated as follows in 1,000 tons:

	1982/83	1983/84	1984/85 1/
Apples	1,977.0	1,550.0	1,854.0
Pears	428.0	413.9	450.0

1/ Preliminary.

COFFEE, TEA AND COCOA

IVORY COAST green coffee production for the 1983/84 season is now estimated at 1.9 million 60-kilogram bags, 57 percent less than the revised 1982/83 output of 4.5 million bags, according to the U.S. agricultural attache in Abidjan. The poor 1983/84 harvest, the lowest in 22 years, was caused by hot dry winds at flowering time, followed by an extended dry period. The 1984/85 forecast of 5.0 million bags is unchanged from the previous estimate (WR-23-84). Early and well-distributed rainfall plus the high side of the alternate bearing cycle year point to an exceptionally good crop in 1984/85.

In BRAZIL, the U.S. agricultural counselor in Brasilia, reporting from a field office in Rio de Janeiro, estimated Brazil's 1984/85 green coffee production will total 27 million 60-kilogram bags. The output, though down 10 percent from last year, is unchanged from the previous forecast made in June 1984 (WR 23-84).

The report noted early dehusking yield data indicated a slight overall reduction in yield from a year ago, but confirmation of dehusking yields will not be available until mid-September. Light frost may have damaged some coffee trees in the states of Minas Gerais and Sao Paulo. The occurrence of frost normally ends by August 25 in Brazil's coffee-producing areas.

Selected International Prices

Item	: August 21, 1984	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.	179.50	4.89	-2.00
U.S. No. 2 DNS/NS: 14%....	167.00	4.55	-2.50
U.S. No. 2 S.R.W.	151.00	4.11	-4.00
U.S. No. 3 H.A.D.....	188.50	5.13	-1.50
Canadian No. 1 A: Durum...	207.00	5.63	+3.00
Feed grains:			
U.S. No. 3 Yellow Corn....	145.00	3.68	-3.00
Soybeans and meal:			
U.S. No. 2 Yellow.....	252.00	6.86	-17.25
Brazil 47/48% SoyaPellets	174.00	--	-9.50
U.S. 44% Soybean Meal..9/	176.00	--	-10.00
U.S. FARM PRICES 3/			
Wheat.....	119.41	3.25	-.37
Barley.....	90.02	1.96	--
Corn.....	124.80	3.17	--
Sorghum.....	99.21	4.50 6/	-1.10
Broilers 4/.....	1113.00	--	-3.97
EC IMPORT LEVIES			
Wheat 5/.....	61.45	1.67	+5.25
Barley.....	56.75	1.24	+3.75
Corn.....	38.90	.99	+5.00
Sorghum.....	65.90	1.67	+1.55
Broilers 4/ 6/ 8/.....	172.00	--	+2.00
EC INTERVENTION PRICES 7/			
Common wheat(feed quality)	144.45	3.93	+2.05
Bread wheat (min. quality)7/	154.45	4.20	+2.20
Barley and all			
other feed grains.....	144.45	--	+2.05
Broilers 4/ 6/.....	1143.00	--	+11.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	12.50	.34	+.10
Barley.....	19.90	.43	+.45
Broilers 4/ 6/ 8/.....	101.00	--	+1.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Twelve-city average, wholesale weighted average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.000 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/Reflects change in level set by EC. 9/ October shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis September delivery.

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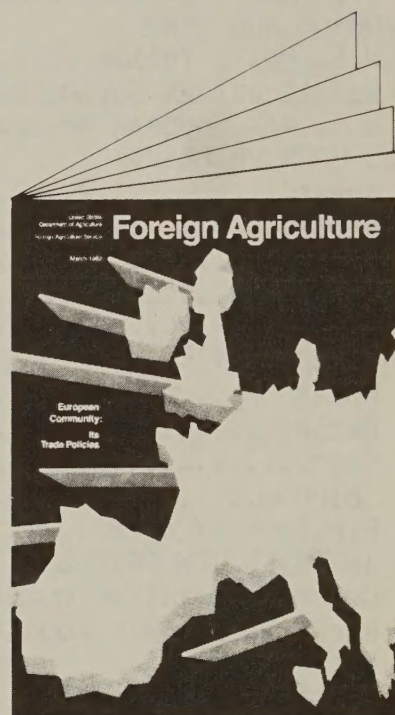
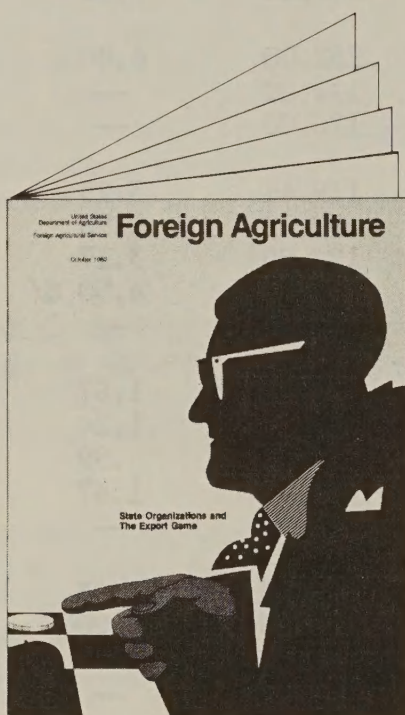
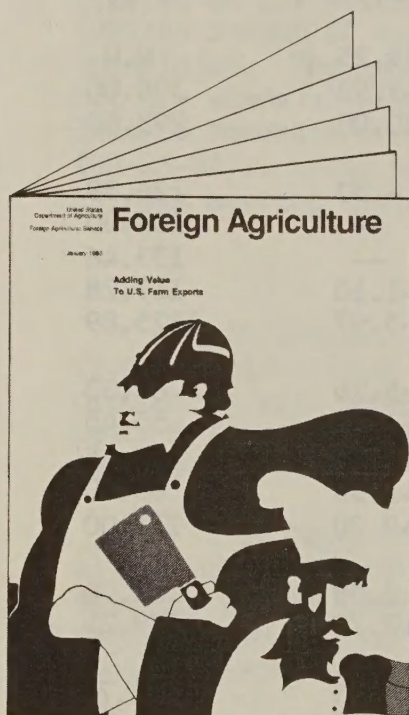
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